

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

)	
In re:	)	Chapter 11
)	
KATERRA INC.,	)	Case No. 21-31861 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 47-2918559)	
)	
In re:	)	Chapter 11
)	
ALGOSQUARE INC.,	)	Case No. 21-31863 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 47-4395183)	
)	
In re:	)	Chapter 11
)	
APOLLO TECHNOLOGIES, INC.,	)	Case No. 21-31875 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 85-1939922)	
)	
In re:	)	Chapter 11
)	
BRISTLECONE 28TH AVE, LLC	)	Case No. 21-31880 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 38-4091457)	

)	
In re:	)	Chapter 11
)	
BRISTLECONE RESIDENTIAL, LLC,	)	Case No. 21-31883 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 81-4126491)	
)	
In re:	)	Chapter 11
)	
CAPGRO CONSTRUCTION	)	Case No. 21-31860 (DRJ)
MANAGEMENT, LLC,)	
)	
Debtor.)	
)	
Tax I.D. No. 80-0188132)	
)	
In re:	)	Chapter 11
)	
CONSTRUCTION ASSURANCE LTD.,	)	Case No. 21-31885 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. N/A)	
)	
In re:	)	Chapter 11
)	
DANGOO ELECTRONICS (USA) CO.,	)	Case No. 21-31888 (DRJ)
LTD.,)	
)	
Debtor.)	
)	
Tax I.D. No. 47-4221455)	
)	
In re:)	Chapter 11
)	
EDGE @ LOHI, LLC,)	Case No. 21-31865 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 61-1895529)	

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In re:)	Chapter 11
)	
HILLSBORO 1 PROJECT MM LLC,)	Case No. 21-31872 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 84-4999446)	
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In re:)	Chapter 11
)	
HILLSBORO 1 PROJECT LLC,)	Case No. 21-31867 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 84-4061467)	
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In re:)	Chapter 11
)	
HILLSBORO 2 PROJECT MM LLC,)	Case No. 21-31879 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 84-5017601)	
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In re:)	Chapter 11
)	
HILLSBORO 2 PROJECT LLC,)	Case No. 21-31876 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 84-4073733)	
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In re:)	Chapter 11
)	
KATERRA AFFORDABLE)	Case No. 21-31884 (DRJ)
HOUSING LLC,)	
)	
Debtor.)	
)	
Tax I.D. No. 85-2962761)	
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In re:)	Chapter 11
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KATERRA ARCHITECTURE LLC,)	Case No. 21-31864 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 38-4008567)	
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In re:)	Chapter 11
)	
KATERRA CONSTRUCTION LLC,)	Case No. 21-31866 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 30-0926077)	
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In re:)	Chapter 11
)	
KATERRA ENGINEERING LLC,)	Case No. 21-31868 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 38-4052151)	
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In re:)	Chapter 11
)	
KATERRA INC.,)	Case No. 21-31862 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 98-1222720)	
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In re:)	Chapter 11
)	
KATERRA PEARSON RANCH)	Case No. 21-31869 (MI)
INVESTMENT LLC,)	
)	
Debtor.)	
)	
Tax I.D. No. 84-3687491)	
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In re:)	Chapter 11
)	
KATERRA PEGASUS RINO)	Case No. 21-31871 (MI)
INVESTMENT LLC,)	
)	
Debtor.)	
)	
Tax I.D. No. 84-3577468)	
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In re:)	Chapter 11
)	
KATERRA RO2 KNIPE VILLAGE)	Case No. 21-31874 (DRJ)
INVESTMENT LLC,)	
)	
Debtor.)	
)	
Tax I.D. No. 84-4267103)	
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In re:)	Chapter 11
)	
KATERRA XSC HOUSTON)	Case No. 21-31873 (DRJ)
INVESTMENT LLC,)	
)	
Debtor.)	
)	
Tax I.D. No. 84-3562760)	
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In re:)	Chapter 11
)	
KIRKLAND 1 PROJECT MM LLC,)	Case No. 21-31878 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 84-4966714)	
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In re:)	Chapter 11
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KIRKLAND 1 PROJECT LLC,)	Case No. 21-31877 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 84-4035291)	
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In re:)	Chapter 11
)	
KIRKLAND 2 PROJECT MM LLC,)	Case No. 21-31887 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 84-4982871)	
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In re:)	Chapter 11
)	
KIRKLAND 2 PROJECT LLC,)	Case No. 21-31882 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 84-4046634)	
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In re:)	Chapter 11
)	
LORD, AECK & SARGENT, INC.,)	Case No. 21-31870 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 58-1532906)	
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In re:)	Chapter 11
)	
PERIMETER BUILDING SERVICES LLC,)	Case No. 21-31881 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 47-2305935)	
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In re:)	Chapter 11
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ROOTS SOFTWARE, LLC,)	Case No. 21-31886 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 81-1644839)	
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In re:)	Chapter 11
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SKYVIEW CONCRETE LLC,)	Case No. 21-31889 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 82-5076363)	
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In re:)	Chapter 11
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UEB BUILDERS, INC.,)	Case No. 21-31890 (DRJ)
)	
Debtor.)	
)	
Tax I.D. No. 20-3509434)	
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In re:)	Chapter 11
)	
VALPICO GLENBRIAR)	Case No. 21-31891 (MI)
APARTMENTS LLC,)	
)	
Debtor.)	
)	
Tax I.D. No. 84-2251878)	
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In re:)	Chapter 11
)	
WM AVIATION, LLC,)	Case No. 21-31892 (MI)
)	
Debtor.)	
)	
Tax I.D. No. 80-0913736)	
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**DEBTORS' EMERGENCY MOTION FOR ENTRY
OF AN ORDER (I) DIRECTING JOINT ADMINISTRATION
OF THE CHAPTER 11 CASES AND (II) GRANTING RELATED RELIEF**

Emergency relief has been requested. A hearing will be conducted on this matter on June 7, 2021 at 3:30 p.m. (Central Time) in Courtroom 400, 4th floor, 515 Rusk, Houston, Texas 77002. You may participate in the hearing either in person or by audio/video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. You will be responsible for your own long distance charges. Once connected, you will be asked to enter the conference room number. Judge Jones' conference room number is 205691.

You may view video via GoToMeeting. To use GoToMeeting, the Court recommends that you download the free GoToMeeting application. To connect, you should enter the meeting code “JudgeJones” in the GoToMeeting app or click the link on Judge Jones’ home page on the Southern District of Texas website. Once connected, click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of the hearing. To make your electronic appearance, go to the Southern District of Texas website and select “Bankruptcy Court” from the top menu. Select “Judges’ Procedures,” then “View Home Page” for Judge Jones. Under “Electronic Appearance” select “Click here to submit Electronic Appearance”. Select the case name, complete the required fields and click “Submit” to complete your appearance.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must either appear at the hearing or file a written response prior to the hearing. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

Relief is requested not later than June 7, 2021.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) state as follows in support of this motion (this “Motion”):

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto (the “Order”), directing procedural consolidation and joint administration of these chapter 11 cases. Specifically, the Debtors request that the United States Bankruptcy Court for the Southern District of Texas (the “Court”) maintain one file and one docket for all of the jointly administered cases under the case of Katerra Inc., and that the cases be administered under a consolidated caption, as follows:

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

<p>In re:</p> <p>KATERRA INC., <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 21-31861 (DRJ)</p> <p>(Jointly Administered)</p>
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2. The Debtors further request that the Court order that the foregoing caption satisfies the requirements set forth in section 342(c)(1) of the Bankruptcy Code. The Debtors also request that a docket entry, substantially similar to the following, be entered on the docket of each of the Debtors other than Katterra Inc., to reflect the joint administration of these chapter 11 cases:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of Texas directing joint administration of the chapter 11 cases of: Katterra Inc., Case No. 21-31861; AlgoSquare Inc., Case No. 21-31863; Apollo Technologies, Inc., Case No. 21-31875; Bristlecone 28th Ave, LLC, Case No. 21-31880; Bristlecone Residential, LLC, Case No. 21-31883; CAPGro Construction Management, LLC, Case No. 21-31860; Construction Assurance Ltd., Case No. 21-31885; Dangoo Electronics (USA) Co., Ltd., Case No. 21-31888; Edge @ LoHi, LLC, Case No. 21-31865; Hillsboro 1 Project MM LLC, Case No. 21-31872; Hillsboro 1 Project LLC, Case No. 21-31867; Hillsboro 2 Project MM LLC, Case No. 21-31879; Hillsboro 2 Project LLC, Case No. 21-31876; Katterra Affordable Housing LLC, Case No. 21-31884; Katterra Architecture LLC, Case No. 21-31864; Katterra Construction LLC, Case No. 21-31866; Katterra Engineering LLC, Case No. 21-31868; Katterra Inc., Case No. 21-31862; Katterra Pearson Ranch Investment LLC, Case No. 21-31869; Katterra Pegasus RiNo Investment LLC, Case No. 21-31871; Katterra RO2 Knipe Village Investment LLC, Case No. 21-31874; Katterra XSC Houston Investment LLC, Case No. 21-31873; Kirkland 1 Project MM LLC, Case No. 21-31878;

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://cases.primeclerk.com/katterra>. The location of Debtor Katterra Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 9305 East Via de Ventura, Scottsdale, Arizona 85258.

Kirkland 1 Project LLC, Case No. 21-31877; Kirkland 2 Project MM LLC, Case No. 21-31887; Kirkland 2 Project LLC, Case No. 21-31882; Lord, Aeck & Sargent, Inc., Case No. 21-31870; Perimeter Building Services LLC, Case No. 21-31881; Roots Software, LLC, Case No. 21-31886; Skyview Concrete LLC, Case No. 21-31889; UEB Builders, Inc., Case No. 21-31890; Valpico Glenbriar Apartments LLC, Case No. 21-31891; and WM Aviation, LLC, Case No. 21-31892. **All further pleadings and other papers shall be filed in and all further docket entries shall be made in Case No. 21-31861 (DRJ).**

Jurisdiction and Venue

3. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are sections 105(a) of title 11 of the United States Code (the “Bankruptcy Code”), Bankruptcy Rules 1015(b) and 6003, and rules 1015-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

Background

6. Katerra, Inc., together with its Debtor and non-Debtor subsidiaries (“Katerra”), is a technology-driven construction company that develops, manufactures, and markets products and services in the commercial and residential construction spaces. Katerra delivers a comprehensive suite of products and services for its clients through a distinct model that combines end-to-end integration with significant investment in technological and design innovation. Katerra offers services to its clients through three distinct offerings: (a) end-to-end new build; (b) construction services; and (c) renovations. Katerra has approximately 6,400

employees who are primarily located in nine countries. In the year ending 2020, Katerra's operations generated revenue of approximately \$1.75 billion.

7. On the date hereof (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description surrounding the facts and circumstances of these chapter 11 cases is set forth in the *Declaration of Marc Liebman in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration")² and in the *Declaration of Matthew R. Niemann in Support of (A) DIP Financing and (B) All First Day Relief* filed contemporaneously with this Motion and incorporated by reference herein. As described in more detail in the First Day Declaration, the Debtors commenced these chapter 11 cases in the face of a liquidity crisis and with the goal of facilitating a marketing and sale process for their assets to maximize value and creditor recoveries.

8. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

Basis for Relief

9. Bankruptcy Rule 1015(b) provides, in pertinent part, that "[i]f . . . two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates." The Debtor entities that commenced chapter 11 cases are "affiliates" as that term is defined in section 101(2) of the Bankruptcy Code. The Bankruptcy Code and the Bankruptcy Rules authorize the Court with authority to grant the relief

² Capitalized terms used but not otherwise defined in this Motion shall have the meanings given to them in this Motion or the First Day Declaration, as applicable.

requested herein. Local Rule 1015-1 provides for the joint administration of related chapter 11 cases.

10. Joint administration of these chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these chapter 11 cases will affect each Debtor entity. The entry of an order directing joint administration of these chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections. Joint administration also will allow the Office of the United States Trustee for the Southern District of Texas and all parties in interest to monitor these chapter 11 cases with greater ease and efficiency.

11. Joint administration will not adversely affect the Debtors' respective constituencies because this Motion seeks only administrative, not substantive, consolidation of the Debtors' estates. Parties in interest will not be harmed by the relief requested, but instead will benefit from the cost reductions associated with the joint administration of these chapter 11 cases. Accordingly, the Debtors submit that the joint administration of these chapter 11 cases is in the best interests of their estates, their creditors, and all other parties in interest.

Emergency Consideration

12. The Debtors request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first twenty-one days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." The Motion requests relief from procedural rules and requirements that pertain to matters of immediate significance or which involve deadlines sooner than twenty-one days after the Petition Date. The relief will save costs and avoid undue administrative burden and confusion only if granted before the applicable deadlines. The

Debtors have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 and request that the Court approve the relief requested in this Motion on an emergency basis.

Notice

13. The Debtors will provide notice of this Motion to the following parties or their counsel: (a) the United States Trustee for the Southern District of Texas; (b) the holders of the 40 largest unsecured claims against the Debtors (on a consolidated basis); (c) Weil, Gotshal & Manges LLP as counsel to the DIP Lender; (d) the Office of the United States Attorney for the Southern District of Texas; (e) the state attorneys general for states in which the Debtors conduct business; (f) the Internal Revenue Service; (g) the Securities and Exchange Commission; (h) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (j) any other party entitled to notice pursuant to Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested, no further notice is required.

The Debtors request that the Court enter the Order, granting the relief requested in this Motion and granting such other and further relief as is appropriate under the circumstances.

Houston, Texas
June 7, 2021

/s/ Matthew D. Cavanaugh

JACKSON WALKER LLP

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J. Machir Stull (TX Bar No. 24070697)
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*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

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*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge.
This statement is being made pursuant to Local Rule 9013-1(i).

/s/ Matthew D. Cavanaugh

Matthew D. Cavanaugh

Certificate of Service

I certify that on June 7, 2021, I caused a copy of the foregoing document to be served by
the Electronic Case Filing System for the United States Bankruptcy Court for the Southern
District of Texas.

/s/ Matthew D. Cavanaugh

Matthew D. Cavanaugh